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NO SURFACE USE PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT (this "Lease") is made as of the 15th day of August, 2008, between **Robert C Brower as sole and separate property**, as Lessor, whose address is 3921 Tamworth Road, Fort Worth, Texas 76116, and **CHESAPEAKE EXPLORATION, LLC** whose address is P.O. Box 18496, Oklahoma City, OK 73154, as Lessee. All printed portions of this Lease were prepared jointly by Lessor and Lessee.

1. **Leased Premises.** In consideration of a cash bonus paid upon execution of this Lease, and the covenants herein, Lessor hereby grants, leases and lets exclusively to Lessee the land described on Exhibit A attached hereto (the "leased premises") in Tarrant County, Texas (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas. For purposes of this Lease, "oil and gas" means oil, gas and other liquid and gaseous hydrocarbons and their constituent elements produced through a well bore. "Oil" includes all condensate, distillate and other liquid and gaseous hydrocarbons produced through a well bore. "Gas" includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases if produced in association with the hydrocarbon gases. This lease does not grant to Lessee any rights to explore for or produce any minerals or other substance except for oil and gas and substances, if any, produced in association with oil and gas. Expressly excluded from this Lease are lignite, coal, sulfur and other like minerals. The leased premises shall include all strips and gores, streets, easements, highways and alleyways adjacent thereto. Lessor agrees to execute at Lessee's request any additional or supplemental instruments reasonably necessary for a more complete or accurate description of the leased premises. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres specified on Exhibit A shall be deemed correct, whether actually more or less.

2. **Primary Term.** This Lease is a "paid up" lease requiring no rentals. Subject to the other provisions contained herein, this Lease shall be for a term of thirty-six (36) months from the date hereof (the "primary term"), and for as long thereafter as oil or gas or "other substances" covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith, or this Lease is otherwise maintained in effect pursuant to the provisions hereof. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this Lease for an additional period of twenty-four (24) months from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term an additional sum of \$20,000.00 per net mineral acre of the leased premises. For calculation of such option payment, the net mineral acreage of the leased premises shall include all strips and gores, streets, easements, highways and alleyways adjacent thereto if owned by Lessor.

3. **Royalty.** Royalties on Oil, Gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) for Oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalties shall be twenty-five percent (25%) of the market value of such production, computed at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; and (b) for Gas (including casinghead gas) and all other substances covered hereby, the royalties shall be twenty-five percent (25%) of the proceeds realized by Lessee from the sale thereof, computed at the point and on the date of sale, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder.

Royalties on Oil, Gas and other substances produced and saved hereunder which are processed in a processing plant in which Lessee, or an affiliate of Lessee, has a direct or indirect interest, shall be calculated based upon the highest of (1) the proceeds received or (2) the market value of the products so processed on the date of production. Similarly, on Oil, Gas and other substance produced and saved hereunder which are sold to Lessee, or an affiliate of Lessee, royalties shall be paid based upon the higher of (1) the market value of the products so sold on the date of production or (2) the proceeds received by Lessee for said products. *If the gas produced from the leased premises is sold by Lessee pursuant to an arms-length contract with a purchaser which is not an affiliate of Lessee, and the contract provides for (i) net proceeds to be paid to Lessee which equal or exceed the market value of the gas at the point of delivery to such purchaser at the time such contract is entered into, and (ii) a term no longer than that which is usual and customary in the industry at the time the contract is made, then the market value of the gas sold pursuant to such contract shall be the total proceeds received by Lessee in such sale.*

Notwithstanding the foregoing, in no event shall any of Lessor's royalties bear any part of the direct or indirect costs of production or any post-production costs, including, but not limited to, costs of lifting, gathering dehydration, compression, separation, delivery, transportation, manufacture, processing, treating or marketing, or for construction, operation or depreciation of any plant or other facility or equipment for processing or treating Oil, Gas, or other substances produced from the Property or lands pooled therewith or production tests conducted. Additionally, said royalties shall never bear, either directly or indirectly, under any circumstances, the costs or expenses (including depreciation) to construct, repair, renovate or operate any pipeline, plant, or other facilities or equipment used by Lessee in connection with the treating, separation, extraction, gathering, processing, refining, compression, transporting, manufacturing or marketing of oil or gas produced from the leased premises or lands pooled therewith. *Notwithstanding any provision in the lease to the contrary*, reasonable costs incurred on an unaffiliated interstate or intrastate gas pipeline which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual and reasonable costs of such enhancements and such costs are shared on a pro-rata basis with Lessee based upon each party's share of production. However, in no event shall Lessor receive a price lower than the market value of such production or less than the actual price obtained by Lessee. It is the intent of the parties that the provisions of this section are to be fully effective and enforceable and are not to be construed as "surplusage" under the principles set forth in Heritage Resources v. NationsBank, 939 S.W.2d 118 (Tex. 1997).

As used herein, "affiliate" shall mean (i) a corporation, joint venture, partnership or other entity that owns more than ten percent (10%) of the outstanding voting interest of Lessee, or in which Lessee owns more than ten percent (10%) of the outstanding voting interest; or (ii) a corporation, joint venture, partnership or other entity in which, together with Lessee, more than ten percent (10%) of the outstanding voting interest of both the Lessee and the other corporation, joint venture partnership or other entity is owned or controlled by the same person or group of persons.

Lessee shall disburse or cause to be disbursed to Lessor its royalties on production from a particular well not later than one hundred twenty (120) days after the date of first production as pursuant to Section 91.402; Subchapter J. "Payment for Proceeds of Sale" of Texas Natural Resource Code, Oil and Gas. First production for a gas well shall be defined as the date of sale of gas and for an oil well the date oil is first produced, other than for testing purposes. Thereafter, Lessee shall disburse or cause to be disbursed to Lessor by the last day of each month its royalties on production for which Lessee received payment in the preceding month, but in no event shall royalties be paid more than sixty (60) days after the last day of the month of production. If not paid when due, Lessor's royalties shall bear interest at the maximum lawful rate from due date until paid, which amount Lessee agrees to pay. Acceptance by Lessor of royalties that are past due shall not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor. Any tender or payment to Lessor of a sum less than the total amount due to Lessor hereunder which is made or intended to be made as an offer of settlement or accord by or on behalf of Lessee, its agents, successors or assigns, must be accompanied by a notice clearly stating such intent in bold print

The receipt by Lessee, an affiliate, or Lessee's operator, from a purchaser or a pipeline company of proceeds of production for distribution to Lessor shall not result in Lessee, or Lessee's operator, acquiring legal or equitable title to those proceeds, but Lessee, or Lessee's operator, will at all times hold the proceeds in trust for the benefit of Lessor. Notwithstanding the insolvency, bankruptcy, or other business failure of a purchaser of production from the Property, or pipeline company transporting production from the Property, Lessee shall remain liable for payment to Lessor for, and agrees to pay Lessor all royalties due Lessor, together with interest if not timely paid. Lessor retains the right to terminate the Lease for failure to pay royalties, after a period of written notice and opportunity to cure, which shall not exceed sixty (60) days.

With respect to oil and gas produced and saved hereunder, it shall be the good faith duty of Lessee to market production on Lessor's behalf.

4. **Shut-in Royalties.** If at the end of the Primary Term or any time thereafter one or more wells on the Property or lands pooled therewith are capable of producing Oil, Gas, or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this Lease. If for a period of ninety (90) consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalties of seventy dollars (\$70.00) per acre then covered by this Lease on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided, however, that if this Lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the Property or lands pooled therewith, no shut-in royalties shall be due until the end of the 90-day period next following cessation of such operations or production. Notwithstanding anything to the contrary herein, it is expressly understood and agreed that after the expiration of the Primary Term, Lessee shall not have the right to continue this Lease in force by payment of shut-in royalties for more than eighteen (18) consecutive months or for lesser periods which aggregate three (3) years.

5. **Payments.** All shut-in or other royalty payments under this Lease shall be paid or tendered to Lessor at the above address, or at such address or to Lessor's credit at such depository institution as Lessor may provide written notice of from time to time. All payments or tenders may be made in US currency, by check or by draft.

(a) To secure Lessee's payment of royalties hereunder and in compliance with the other terms and provisions of this lease, Lessor hereby retains, and Lessee hereby grants to Lessor, a security interest in twenty-five percent (25%) of the interest under this lease as extracted collateral, including,

(i) oil and gas produced, saved and extracted from the Leased Premises, under and pursuant to this lease, and

(ii) all accounts arising out of the sale of such oil and gas and all proceeds thereof (the "Collateral"). The security interest created hereby shall continue with respect to oil and gas produced, saved and extracted from the Leased Premises notwithstanding the sale or other disposition thereof until Lessor, as secured party, receives indefeasible payment of the royalties due with respect thereto under the terms and provisions of this lease.

(b) In addition to any other remedies provided in this lease, Lessor, as a secured party, may in the event of Lessee's default hereunder, including any failure to pay when due royalties in the amount required hereby,

(i) proceed under the Texas Uniform Commercial Code (the "Texas UCC") as to the Collateral, in any manner permitted by the Texas UCC and

(ii) shall have available to it the remedy of sequestration available to secured parties, and to the extent permitted by law, the remedies of replevin, attachment and garnishment to assist Lessor in realizing upon its rights. This lease, or a memorandum thereof, shall, upon its recordation, be effective as a financing statement under the Texas UCC, and shall serve as an authenticated record under Texas Business and Commerce Code Section 9.20.3.

(c) The addresses of Lessor, as Secured Party, and Lessee, as Debtor, and information concerning Lessee's organizational type, state of organization and organization number are as set forth at the beginning of this lease. To assure continued perfection of the security interest created hereby,

(i) Lessee agrees not to change its name or jurisdiction of organization without giving Lessor prior written notice and

(ii) Lessee authorizes Lessor to file in any appropriate office a financing statement identifying Lessee as debtor and covering the Collateral and continuation statements with respect to this lease or any separate financing statement.

5. **Paying Quantities.** For purposes hereof, "paying quantities" is defined as revenue from the sale of production from a well sufficient to return a profit, after deduction of royalties, overriding royalties, production and severance taxes, over and above all direct operating cost, but not including capital costs or district office overhead not directly attributable to the leased premises, for any one year period.

6. **Continuous Drilling Obligations.** If Lessee drills a well which is incapable of producing in paying quantities (a "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Section 6 or the action of any governmental authority, then in the event this Lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within ninety (90) days after completion of operations on such dry hole or within ninety (90) days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this Lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this Lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After

completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided.

For purposes of this lease, drilling operations shall be deemed to have "commenced" when a drilling rig and machinery capable of drilling to a depth sufficient to test the Barnett Shale formation have been erected on the well location. Furthermore, for purposes of this lease, the "completion" of non-producing wells shall be the date of final plugging and abandonment, and the "completion" of a producing well shall be the date the well is physically completed and capable of production, including the completion of the potential test and all other tests required by the Railroad Commission of Texas or its successor regulatory agency.

7. **Pooling.** Lessee shall have the right but not the obligation to pool all of the leased premises or interests therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests; provided, however, that the entire leased premises covered by this Lease shall be included in any unit created pursuant to the pooling authority granted herein.

The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for a gas well or a horizontal completion shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%).

For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, within ninety (90) days of first production, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling which may be retroactive to first production. In the event Lessor's acreage is included in a well, all of Lessor's acreage shall be included. Production, drilling or reworking operations anywhere on a unit which includes the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this Lease and included in the unit bears to the total gross acreage in the unit. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. If the leased premises are included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

8. **Partial Interests.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

9. **Assignment.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns; provided, however, if Lessee is to assign any part of this Lease it shall give written notice to the Lessor at least thirty (30) days after doing so; provided, that written notice shall not be required if an assignment is being made to officers, directors, and or subsidiaries of Lessee. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until thirty (30) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the reasonable satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. Except as otherwise stated herein, if Lessee transfer its interest hereunder in whole or in part to a nonaffiliated third party, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease to a nonaffiliated third party, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each. If Lessee transfers, assigns, or conveys its interest hereunder in whole or in part to an affiliated third party, Lessee shall remain fully liable for the covenants and obligations set forth by this lease.

10. **Release and Vertical Pugh Clause.** Lessee may, at any time and from time to time, deliver to Lessor in recordable form or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the area covered by this Lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or any undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder. In any event, upon termination of this Lease, Lessee, its successors or assigns, shall deliver to Lessor a recordable release as to such portion or portions of this Lease which have terminated under the terms of this Lease. Upon the expiration of the primary term of this Lease, upon the expiration of any extension or renewal of the primary term, or after cessation of operations as provided herein, whichever occurs last, this Lease shall terminate as to all rights lying one hundred feet (100') below the stratigraphic equivalent of the base of the deepest formation producing or capable of producing in any well drilled on the leased premises or on lands pooled therewith; provided,

however, if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this Lease shall remain in full force and effect as to all depths so long as no more than ninety (90) days elapse between operations.

11. Waiver of Surface Use. Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (including but not limited to drilling roads, drilling pads, production equipment, flowlines, geophysical/seismic operations) on leased premises. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, any lands pooled therewith or otherwise unless in cases of extreme urgency or emergency or only if Lessee has obtained an approved truck route from the City of Fort Worth that includes such streets. Lessee will make reasonable efforts to screen any drill sites being used to develop the leased premises or any property pooled therewith from public view during drilling operations and after drilling operations have been completed. If Lessee is in default of the aforementioned provision, Lessor shall promptly notify Lessee of such default and Lessee shall have ten (10) days to remedy. This lease shall not terminate if such default arises. Notwithstanding the foregoing, the bore of a well drilled for oil and gas purposes may cross under the leased premises if such bore is at least five hundred (500) feet below the surface.

12. Noise. Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonably available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment. Lessee shall comply with all requirements and regulations set forth by the City of Fort Worth.

13. Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including environmental regulations, setback requirements, restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. To the extent any such laws, rules, regulations or orders are less restrictive than the terms of this lease, this lease shall control. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon, from producing oil or gas therefrom, by reason of fire, storm, flood, war, riot, strike or by act of God, or failure to obtain a drilling permit from the City of Fort Worth, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended for a period not to exceed one (1) year, and Lessee shall not be liable in damages for failure to comply therewith, and this lease shall be extended for a period not to exceed one (1) year while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or producing oil and gas from, the Leased Premises or lands pooled therewith. In order for Lessee to claim the benefit of this paragraph, Lessee must advise Lessor in writing within thirty (30) days of the date Lessee claims any obligation is suspended, setting forth in reasonable detail such facts as Lessee relies upon to make the provisions of this paragraph applicable and Lessee must make every reasonable attempt to cure any force majeure event on an ongoing basis during such period of force majeure. Lessee understands that "Force Majeure" shall not include lack of planning or action on the part of Lessee to file a timely application for zoning changes or permits. Notwithstanding anything in this provision to the contrary, in no event shall this Lease be perpetuated by an event of Force Majeure for a period of more than one (1) consecutive year or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure event.

14. Indemnity. Lessee hereby releases and discharges Lessor and the owner of the surface estate, along with their officers, employees, partners, agents, contractors, subcontractors, guests and invitees, and their respective heirs, successors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or at the drill site or operations site or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Lease, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all claims, liabilities, losses, damages, actions, property damage, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, statute or strict liability, including reasonable attorney fees and other legal expenses, including those related to environmental hazards on or under the leased premises or at the drill site or operations site or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities in, on or under the leased premises or at the drill site or operational site; those arising from Lessee's use of the surface or subsurface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Lease or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees and their respective successors and assigns. Each assignee of this Lease, or of an interest herein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activities of Lessee, its officers, employees and agents as described above. For purposes of this Paragraph 14 and Paragraph 15 of this lease, environmental laws and regulations include, without limitation, the federal Oil and Pollution Act (OPA), the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the federal Resource Conservation and Recovery Act (RCRA), the federal Clean Water Act, the Texas Solid Waste Disposal Act (TSWDA), the Texas Water Code (TWC), and the federal, state and local rules, regulations, ordinances, orders and governmental directives implementing such statutes. The Lessee's obligations in this Paragraph 14 shall survive the termination of this lease.

15. Environmental Liability. As used in this lease, the term "Hazardous Materials" means any substance or material defined or identified as hazardous, extra-hazardous, toxic or radioactive or subject to regulation as a solid waste or pollutant under any applicable federal, state, or local statute or regulation including, without limitation, the environmental laws and regulations referenced in Paragraph 14 of this lease. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action ("action"), or pursuant to any federal, state or local statute, rule, regulation, ordinance, order, governmental directive or other laws ("laws"). Lessee agrees, for the benefit of the Lessor, (1) to remove from the Leased Premises, if, as and when required by any action or law, any Hazardous Materials placed or released thereon by Lessee (including its drillers and other contractors), (2) to perform Remedial Work where the need therefore arises in connection with Lessee's (including its drillers' and other contractors') operations or activities on the Leased Premises or any adjacent property, and (3) to comply in all respects with all laws governing operations by Lessee (including its drillers and other contractors) and Remedial Work on or associated with the Leased Premises and any adjacent property. Remedial Work shall be performed by one or more contractors selected by Lessee under the supervision of an engineer selected by Lessee. All costs and expenses of Remedial Work resulting from Lessee's (including its drillers' and other contractors') operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting

engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. The provisions of this paragraph shall not constitute approval or obligate Lessor to consent to the imposition of any engineering or institutional control that would restrict or limit future use of the Leased Premises for any purpose including, without limitation, any deed restriction or limitation on the use of groundwater or use of the property for residential purposes. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on the Leased Premises or any adjoining property and provide Lessor with copies of (1) any notice of any actual or threatened release of Hazardous Materials given by Lessee pursuant to any law and (2) any report of and response to any such release including all Remedial Work. Lessee, its successors and assigns, in accordance with the provisions of paragraph 13, will release, indemnify, pay and protect, defend and save the Indemnified Parties harmless from all claims, liabilities, fees and expenses of any kind (including reasonable attorneys' fees, expert fees and costs) that arise from the actual or alleged presence or release of any Hazardous Materials in connection with the operations of Lessee and Lessee's agents, invitees, guests, contractors, servants and employees on the Leased Premises or any adjacent property. Such indemnification shall include, without limitation, costs in connection with any Remedial Work performed by Lessor, or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand by the Lessor. The Lessee's obligations in this Paragraph 15 shall survive the termination of this lease.

16. **Insurance.** Lessee, at its own expense, shall maintain a general liability insurance policy (covering both bodily injury and property damage and covering its indemnity obligations under this Lease Agreement in an amount of at least \$10,000,000 combined single limit. Lessee shall also, at its own expense, carry worker's compensation insurance as required by law. Said policies shall

(i) name Lessor as an additional insured (except for the worker's compensation policy, which instead shall include a waiver or subrogation endorsement in favor of Lessor),

(ii) provide that said insurance shall not be canceled unless thirty days prior written notice shall have been given to Lessor. In addition, such insurance provided by Lessee shall be primary coverage for Lessor when any policy issued to Lessor is similar or duplicate in coverage, and Lessor's policies shall be excess over Lessee's policies.

(iii) Lessee may self insure for up to \$ 5,000,000 with respect to the insurance coverage required of Lessee, provided that the tangible net worth of Lessee is, at all times while self-insurance is in effect, in excess of \$ 1,000,000,000.

17. **Audits.** Lessor shall have the right solely once per year, at its own expense, at any reasonable time during normal office hours, to make an audit of Lessee's accounts, contracts, books and records pertaining to the Leased Premises for the purpose of ascertaining the amount of production and sales and the cost of manufacturing and extracting any and all substances covered by this agreement. If the audit reveals an underpayment, Lessee shall be responsible for the costs of the audit. In no event shall this provision be construed to limit or restrict Lessor's rights to assert any claims against Lessee under applicable law.

18. **Access to Information.** Lessee shall keep complete and accurate records of all its operations relating to or affecting the leased premises, and the results thereof, including, but not limited to: all land surveys, title opinions and title curative material; all drilling, records; all production records showing the total gross production, the quantities saved, sold and used, the disposition thereof, and the sales prices or values thereof; all production sales contracts; and such other records and data as may be proper for the settlement of accounts between Lessor and Lessee or to determine the respective rights and obligations of said parties hereunder. During the primary term of this lease and for as long as oil and gas is produced therefrom, and for a period of one (1) year thereafter, Lessee shall make all of such records and data available, upon written request and limited to an annual basis, to Lessor for examination in Lessee's office during normal business hours. All information provided by Lessee or obtained by Lessor according to this paragraph that Lessee identifies or designates as proprietary and confidential shall be deemed proprietary and confidential and during the primary term of this lease and for as long as oil and gas is produced therefrom, and for a period of one (1) year thereafter, all such information shall remain strictly confidential and Lessor shall not disclose such information to any third party (other than financial advisers, accountants and counsel of Lessor) without the prior written consent of Lessee; provided, however, the foregoing obligations of Lessor shall not apply to such portions of such information which (i) are currently possessed by or available to Lessor, (ii) are or become generally available to the public other than as a result of a disclosure by Lessor, (iii) come into the possession of Lessor from a source which is not prohibited from disclosing such information to Lessor by a legal, contractual or fiduciary obligation to Lessee, or any other person, or (iv) is required to be disclosed in order to enforce the terms of this lease or Lessee's obligations hereunder.

19. **Notices.** All notices required or contemplated by this Lease shall be directed to the party being notified at the address identified above, unless notice of another address has been provided in writing. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated.

20. **No Warranty of Title.** Lessor makes no warranty of any kind with respect to title to the surface or mineral estate in the leased premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited to Section 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the leased premises. Lessee assumes all risk of title failures.

21. **Top Leasing Permitted.** There shall be no prohibition or limitation on top leasing.

22. **Venue and Legal Fees.** Venue for any dispute arising under this Lease shall lie in Tarrant County, Texas, where all obligations under this Lease are performable.

23. **Subordination Agreement Fees.** Notwithstanding anything contained herein to the contrary, neither Lessee nor Lessee's assigns shall ever require a subordination, partial release of lien, release of lien, consent or other documentation from any lender or tenant of Lessor that has a lien on said land as a condition to Lessor receiving the agreed signing bonus or any subsequent royalties payment if the Land is not used as a drill site location and/or located directly above the actual Wellbore.

24. **Miscellaneous.** This Lease is entered into in the State of Texas and shall be construed, interpreted and enforced in accordance with the laws of the State of Texas without reference to choice-of-law rules. Should any of the provisions herein be determined to be invalid by a court of competent jurisdiction, it is agreed that this shall not affect the enforceability of any other provision herein and that the parties shall attempt in good faith to renegotiate that provision so determined to be invalid to effectuate the purpose of and to conform to the law regarding such provision. The section titles appearing in this Lease are for convenience only and shall not by themselves determine the construction of this Lease. This Lease may be executed in one or more counterparts, each of which shall be

deemed an original, but all of which shall constitute one and the same instrument. Singular and plural terms, as well as terms stated in the masculine, feminine or neuter gender, shall be read to include the other(s) as the context requires to effectuate the full purposes of this Lease.

25. **Disclaimer of Representation.** Lessor acknowledges that the terms of the lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this lease, were obtained as a result of negotiations between Lessee and the group know as the "Ridglea North Addition", which consists of a committee of unpaid volunteers. The representatives who belong to this committee are Graham Pate and Scott Bauer (herein the "Committee Members"). In consideration of the efforts spent by the Ridglea North Addition and the Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor, Lessor, on behalf of themselves and each of their respective agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations, or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, agents, employees, heirs, consultants and other representatives, does hereby release and forever discharge the Ridglea North Addition, the Committee Members, and the homeowners associations of each of the neighborhoods represented in the Ridglea North Addition from any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recovery, whether known or unknown, past, present, or future, which Lessor has, has had, or claims to have against the Committee Members, the Ridglea North Addition, and the homeowners associations of each of the neighborhoods represented in the Ridglea North Addition which relate to, arise from, or are in any manner connected to (i) the Negotiated Terms, (ii) the negotiation of the Negotiated Terms, (iii), the inclusion and/or omission of any terms within the Negotiated Terms, (iv) any activity, act or omission in any way related to the Negotiated Terms or the negotiation of the Negotiated Terms or (v) any and all representations made prior, during, and subsequent to Lessor's execution of this lease. Additionally, Lessor acknowledges that it is Lessor's obligation to investigate this lease, all Negotiated Terms, to take such action as necessary to make an informed decision prior to signing this lease, and that the decision made by Lessor in signing this lease is made after fully researching this matter independent of any other information provided by the North Ridglea Addition or its Committee Members. It is ultimately the responsibility of Lessor to (a) determine if Lessor wants to negotiate with Lessee, (b) fully investigate the issues and facts related to signing an oil and gas lease, and (c) determine what terms are acceptable to Lessor to be included in this lease.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the date first written above, but upon execution shall be binding on each signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this Lease has been executed by all parties hereinabove named as Lessor.

LESSOR:

By:



Printed Name: Robert C Brower

STATE OF TEXAS §

COUNTY OF TARRANT §

This instrument was acknowledged before me on the 15th day of August, 2008, by, Robert C Brower as sole and separate property.

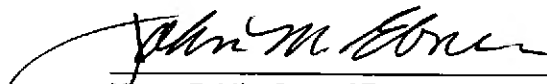
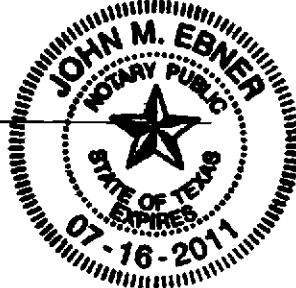

Notary Public, State of Texas

EXHIBIT "A"

Attached to and made a part of an Oil and Gas Lease dated 15th day of August, 2008, by and between **Robert C Brower, as sole and separate property**, as "Lessor", and **CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma Limited Liability Company**, (hereafter called "Lessee"), whose address is **P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496**.

Legal Description:

.9155815 acres of land, more or less, being Lot 11, Block 62, out of the Ridglea Addition, an addition to the City of Fort Worth, Texas, being more particularly described by metes and bounds in that certain Deed recorded at Instrument #D200212370 Deed Records, Tarrant County, Texas.

Record & Return to:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154